

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary    Public

**Date:** 8/3/2011

**GAIN Report Number:** MX1063

## Mexico

**Post:** Mexico

### Inedible Soy Oil Tariff Reduction

**Report Categories:**

Oilseeds and Products

Agriculture in the Economy

Policy and Program Announcements

Trade Policy Monitoring

**Approved By:**

W. Garth Thorburn II

**Prepared By:**

Benjamin Juarez and Adam Branson

**Report Highlights:**

The Secretariat of Economy (SE) issued a preliminary resolution in the *Diario Oficial* (Federal Register) on July 14, 2011, lowering the import duty on inedible soy oil, classified under the Harmonized Tariff System (HTS) as 1518.00.02, from the United States from 62.45 percent to 29.2 percent. Interested parties have 30 working days from the effective date to supply additional arguments or evidence. Mexico's calendar year 2010 imports of HTS 1518.00.02 equaled nearly U.S. \$1.1 million, or 649 metric tons (MT).

**General Information:**

**Introduction:** This report summarizes a [preliminary resolution](#) published in Mexico's Federal Register on July 14, 2011. According to this preliminary resolution, epoxidized soybean oil (ESO or ESBO) is used as a plasticizing agent or co-stabilizer in the formulation or composition of polyvinyl chloride (PVC) and copolymers, thereof. ESO prevents the degradation of PVC during the different transformation processes. In addition, ESO is used as a means of dispersing pigments and as an acid masking agent in soy-ink compounds.

Table 1. Mexico: Imports of Epoxidized Animal or Vegetable Oils (HTS 1518.00.02) by Quantity (MT) and Value (Million U.S. Dollars)

	January – December					
	2008		2009		2010	
Country	Volume	Value	Volume	Value	Volume	Value
World	629	1.156	407	0.717	649	1.096
United States	476	0.892	407	0.547	430	0.725
Germany	151	0.123	66	0.125	103	0.204
Spain	2	0.011	4	0.016	0	0
France	0	0	1	0.003	0	0
Argentina	0	0	0	0	44	0.060
Brazil	0	0	0	0	71	0.100

Data Source: Secretariat of Economy

**Disclaimer:** This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the resolution in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete resolution or announcement as published in Spanish, the latter shall prevail.

**Title of Notice:** Preliminary Resolution of the Automatic Review of the Antidumping Duty Imposed on Imports of Epoxidized Soybean-Oil Originating from the United States of America. This Commodity is Classified in the Tariff Code as 1518.00.02 of the General Import and Export Tax Law.

**Type of Resolution:** Preliminary resolution of the review of anti-dumping duty imposed on imports of U.S.-origin inedible soy oil (HTS 1518.00.02)

**Important Dates**

1. Publication Date: July 14, 2011
2. Effective Date: July 15, 2011

**Products Affected:** Inedible soy oil (HTS 1518.00.02)

**Agency in Charge:** SE

**Final resolution of the antidumping investigation:** On July 29, 2005, the SE issued its final decision on the antidumping case against exporters of U.S. inedible soy oil (HTS 1518.00.02 ). See 2005 GAIN Report [MX5065](#) *Final Decision in the Antidumping Case against U.S. Inedible Soy Oil*.

**Compensatory Duty:** SE imposed a duty of 62.45 percent because of the 2005 final resolution.

**Start of the review and revision process:** On July 28, 2010, SE published news in the Federal Register that it initiated an effectiveness review of the antidumping duty on inedible soy oil. The review period was July 1, 2009 to June 30, 2010. During the review, SE compared the normal value with the export price of epoxidized soybean oil that was temporarily imported. SE determined that the discrimination margin should be calculated at 29.2 percent and that both the normal value and export price should be adjusted for inflation. Therefore, based on article 57 section I and articles 67 and 68 of the Foreign Trade Law, article 99 of the Rules of the Foreign Trade Law, and article 11.2 of Antidumping Agreement, SE issued the following decision.

**Decision:** The decision is to continue the administrative review process and to amend the antidumping duty imposed on imports of epoxidized soybean oil from the United States, regardless of the country of origin, from 62.45 percent to 29.2 percent.

The decision also states that for a period of 30 working days after the effective date of the Preliminary Resolution, interested parties can submit additional arguments and evidence under the third paragraph of Article 164 of the Rules of the Foreign Trade Law. The term for supplying additional arguments and evidence will conclude at 14:00 on the due date.

#### **For More Information**

FAS/Mexico Web Site: We are available at [www.mexico-usda.com](http://www.mexico-usda.com) or visit the FAS headquarters' home page at [www.fas.usda.gov](http://www.fas.usda.gov) for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work  
<http://www.youtube.com/user/ATOMexicoCity>

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx) , equivalent to the U.S. Department of Commerce (SE) can be found at [www.economia.gob.mx](http://www.economia.gob.mx) and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at [www.salud.gob.mx](http://www.salud.gob.mx). These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.